

**Senate Taxation Committee
Chair Senator Jim Elliott**

**Senate Bill 150
January 12, 2007**

Endowment Tax Credits

Chairman Elliott and members of the committee my name is Dick Brown; I am the Sr. Vice President of MHA...An Association of Montana Health Care Providers. Our members provide hospital, nursing home, home health, hospice and other services. In addition to my role at MHA, I am Chairman of the St. Peter's Hospital Board in Helena.

I am here today to speak in support of SB 150.

Foundations are a significant source of funding for Montana's not-for-profit community hospitals and nursing homes. Most of the state's health care facilities operate with little or no margin.

Foundations enable these organizations to provide important community health programs and health services...services they otherwise might not be able to provide.

Foundations are especially important in Montana's rural communities.

Prior to joining the MHA staff, I was the CEO of the Liberty County Hospital in Chester. During my tenure there, it was difficult to raise funds for new programs and equipment. To respond to this need a foundation was created in the mid-1980's. That foundation, although small at the time, made invaluable contributions to the mission of that health care facility. The same is true for foundations at health care facilities across the state, whether in Libby, Shelby, Billings or Glasgow. Today Liberty County Hospital's Foundation is working on its second million dollars.

The endowment tax credit has enabled all of these foundations – and health care foundations all over Montana – to grow and benefit their communities.

As foundation directors have said, this is the most important vehicle we have for sustaining the programs.

Montana's citizens are generous. They want to contribute to churches, universities, hospitals, and other similar organizations. The endowment tax credit creates the opportunity for giving and lessens the financial burden these organizations would have with out these gifts.

Our only concern is the effective date. The bill as introduced sets the effective date as "upon enactment". MHA endorses an amendment to set the effective date as January 1, 2008.

Thank you for the opportunity to testify on this bill. I urge your support for SB150.